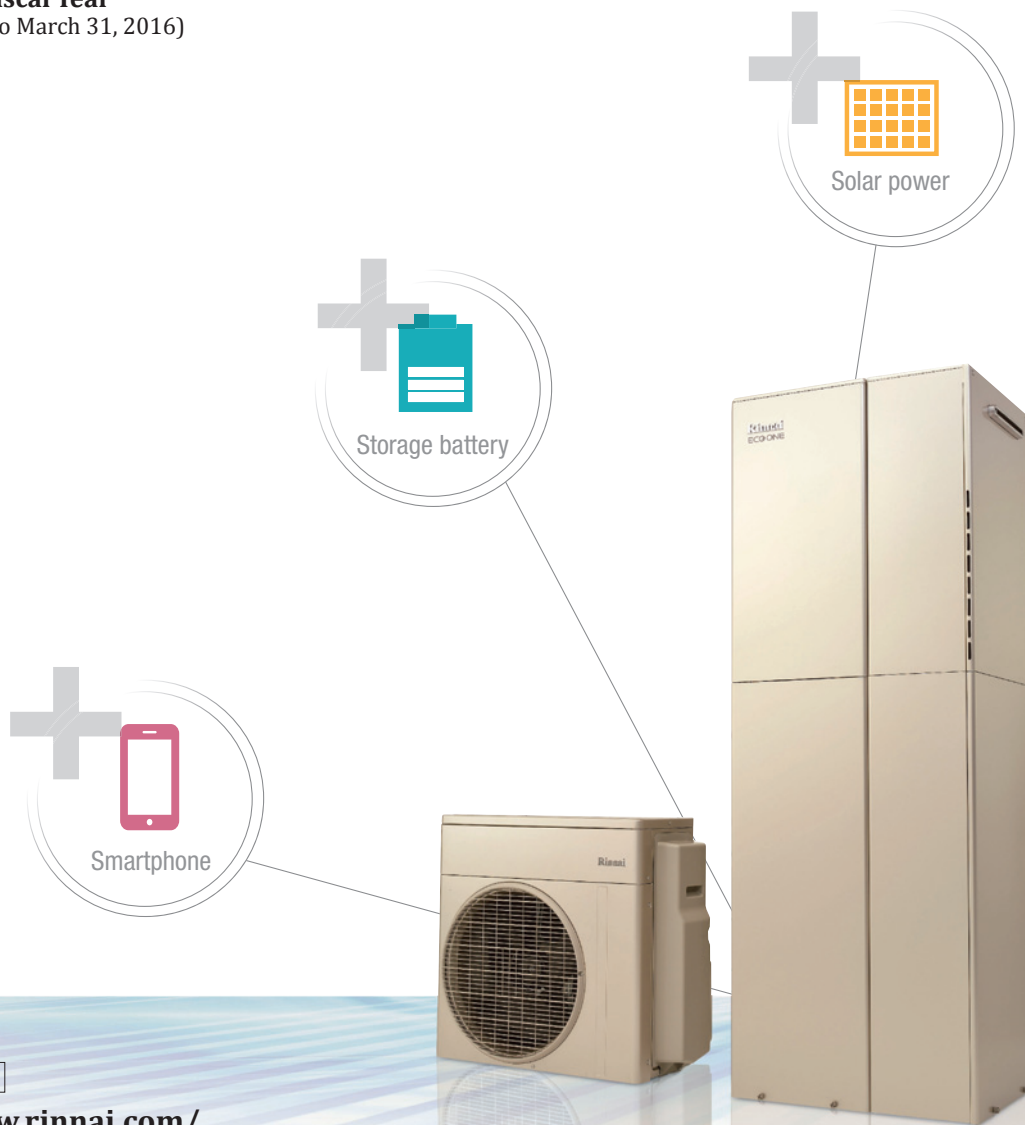


Rinnai

Shareholders' Report

Vol. 44

66th Fiscal Year
(April 1, 2015 to March 31, 2016)



TSE code 5947

<http://www.rinnai.com/>



Susumu Naito
Chairman



Hiroyasu Naito
President

In the fiscal year ended March 31, 2016, the world economy took on increasing downside risk due to various factors. These included stunted economic growth in China stemming from slow-downs in domestic demand and exports, the impact of which reverberated across many other economies, including North America, Europe, and Southeast Asia. Meanwhile, the outlook for the Japanese economy remained unclear amid lack of momentum in consumer sentiment, despite improvements in corporate earnings and worker income.

The domestic housing appliance industry performed well, buoyed by an upward trend in new housing starts stemming from various government measures to support residential purchases, while replacement demand for housing appliances firmed as consumers looked for improvements in convenience and environmental performance.

Under these conditions, the Rinnai Group embarked on a new medium-term business plan, titled Evolution and Succession 2017, which began in April 2015. Under the plan, we will ensure the “succession” of our corporate culture and spirit attained through our history, while emphasizing “evolution” of our business model so we can create new products and services that benefit society.

With respect to revenue, we reported a year-on-year increase in net sales thanks to solid sales of water heaters in Japan, United States, and China, as well as good progress in expanding our business in Australia and favorable foreign exchange factors. On the earnings side, we posted increased profit due to higher overseas sales, as well as improved added value stemming from cost reduction efforts. More details of our financial performance are given later in this report. The Company declared a year-end cash dividend of ¥42.00 per share, up ¥4.00 from a year earlier. This brought total annual dividends to ¥82.00 per share, up ¥6.00 year on year.

The Rinnai Group continues to implement its medium-term business plan, titled Evolution and Succession 2017, which began in April 2015. Guided by our basic philosophy, “Quality is our destiny,” under the plan we will promote the “succession” of the “Rinnai Spirit” inherited since our foundation and ensure “evolution” to a new era. Going forward, we will create a new business model that addresses various changes in the business environment. In Japan, these include deregulation of the electricity and gas retail sectors, as well as government measures to protect the environment and save energy. Overseas factors include rising living standards in emerging nations, as well as growing demand for eco-friendly, energy-efficient products in industrialized countries.

June 2016

Susumu Naito
Chairman

Hiroyasu Naito
President

Broadening our reputation for high quality in Japan and overseas



Hiroyasu Naito, President

Fiscal 2015 in Review

Q Please describe recent business conditions in Japan and overseas.

In fiscal 2015, ended March 2016, we reported a year-on-year increase in net sales thanks to solid sales of water heaters in Japan, United States, and China, as well as favorable foreign exchange factors. We also benefited from improved added value stemming from cost reduction efforts. As a result, consolidated net sales for the year amounted to ¥319.9 billion, up 8.4% from the previous year. Overseas sales accounted for 47.0% of net sales. Operating income grew 12.4%, to ¥34.5 billion.

Medium-term business plan: Evolution and Succession 2017

Q What are the priorities of the medium-term business plan, and what were the outcomes in its first year?

Under our medium-term business plan, entitled Evolution and Succession 2017, each Group company is targeting “evolution” through “succession” of Rinnai’s commitment to product quality and manufacturing, guided by “Quality is our destiny,” our basic philosophy since our foundation. Specifically, we will advance our business model, which entails more timely provision of existing products and services and the creation of new products and services that benefit society. At the same time, we will expand our system-based offerings, increase the overseas sales ratio, and respond to changes in the market environment, including declining households and population in Japan. To this end, we will need to emphasize core priorities in Japanese and overseas markets, while augmenting our Groupwide strengths, including energizing our organization, fostering human resources, and enhancing business efficiency. Through these efforts, we will seek to entrench Rinnai’s brand as a comprehensive manufacturer of heat and energy appliances over the three-year period of the plan.

In the first year of the plan, each Group company targeted a specific course of action to independently identify issues while deploying accumulated technologies to stimulate problem-solving actions. I feel we made some progress in improving the “fertility” of the entire Group.

Towards 2020 (Rinnai’s 100th anniversary): Dramatic progress as a comprehensive manufacturer of heat and energy appliances

Aspirations

Product vision

Comprehensive energy appliance manufacturer that contributes to local environments

Regional vision

Global company that improves the lifestyles of people all over the world

Business vision

Company with a unique business model that attracts people and business partners

Medium-term business plan: Evolution and Succession 2017

(April 2015–March 2018)

Evolution challenges

1. Respond to changing environment
2. Pursue core priorities aimed at evolution
3. Innovate our business model

Succession of Rinnai spirit

“Quality is our destiny”
“Use heat to provide society with comfortable living”

	Fiscal 2015 (Result)	Fiscal 2016 (Plan)	Fiscal 2017 (Plan)
Net sales (Billions of yen)	319.9	337.0	350.0
Operating income (Billions of yen)	34.5	37.0	39.0
Operating margin	10.8%	11.0%	11.1%

Q What are your thoughts on the impact of energy deregulation in Japan, and what are your efforts to address it?

In April 2016, residential electricity retailing in Japan was completely deregulated, and deregulation of the gas retail sector is scheduled for April 2017. These events mark the full-scale commencement of an era in which consumers can select their energy providers and plans.

In this context, there is growing need for our products, namely our *ECO ONE* hybrid water heater with heating system that uses a combination of high-efficiency *Eco Jozu* water heater and an electric heat pump, as well as system-based products that use *Eco Jozu* as the heat source. In Japan, water and room heating account for more than 50% of energy consumed in the average home. To realize our nation's vision of the Zero Energy House (ZEH*), heat sources that are safe, reliable, and comfortable while delivering excellent economic and environmental performances will be crucial. Our *ECO ONE* systems, rated highly for combining economic and environmental performances, are becoming increasingly adopted by LP gas providers and housing-related companies. To prepare for increased production, we are scheduled to open a new facility within the Akatsuki Factory in March 2017.

* ZEH: Short for "Net Zero Energy House." This entails saving energy and generating power from solar and other sources to create houses that consume zero net primary energy (from cooling, heating, lighting, and ventilation) annually.

Q In recent years, have you focused on advertising and promotion in Japan and overseas?

In Japan, energy deregulation has caused competition to intensify, and we expect the trend among general consumers to

select their own heat source equipment and energy providers to grow stronger. Our policy here is to increase exposure of the Rinnai brand through TV commercials and other advertising, while continuing our OEM supply arrangements with gas companies and the like. Overseas, we have stepped up advertising activities all over China and in the United States, which is translating into steady sales growth.

In all markets, we will strive to broaden the Rinnai brand presence while increasing our manufacturing capacity and enhancing the efficiency of our production system. In this way, we will be able to absorb increases in sales-related expenses.

Q Please tell us about your new consolidated subsidiary, Gastar Co., Ltd.

In April 2016, Gastar Co., Ltd. became a consolidated subsidiary of Rinnai Corporation, following a basic agreement with Tokyo Gas Co., Ltd. and Lixil Corporation regarding the transfer of Gastar's management rights. As a result, the Rinnai Group attained the top share of the domestic water heater market in sales value terms. We expect Gastar to play an important role in the Rinnai Group, with its strong manufacturing and sales network in Japan's Kanto Region.

Overview of Gastar Co., Ltd.

President and Representative Director: Hisao Watanabe

Established: August 1959

Capitalization: ¥2,450 million (90.0% voting rights held by Rinnai)

Main business: Water heater business (manufacture and sale of water heaters)

Various Techniques to Broaden Contact with Customers and Society



TV commercial highlighting quality of Rinnai brand



Participation in events to foster proliferation of energy-efficient products to all generations
(Photo: "Eco Products 2015" exhibition)



Proactive support of sports, including sponsorship of FIFA Club World Cup Japan 2015

Q What are your basic global strategies and priorities for the period of the business plan?

Over the past 10 years, the Group's consolidated overseas sales have doubled to the ¥150 billion range. Over the medium term, we expect overseas sales to reach ¥200 billion and account for 50% of net sales. To this end, the Rinnai Group will deploy its key strength in developing highly distinctive products matched to the needs of each country and region under a basic policy of local production and local sales.

During the three-year period of the business plan, we will target further improvements in product quality and productivity. Group companies will collaborate by leveraging basic Rinnai technologies from Japan to promote products developed for specific regions—such as global water heaters in China, global high-efficiency boilers in South Korea, built-in hobs (stovetops) in Southeast Asia, and commercial continuous-flow water heaters in Australia—across broader geographical areas. Going forward, we hope to shift to local production, even in markets where products have been newly introduced, once annual demand reaches 200,000 to 300,000 units.

Q Can you describe recent initiatives in main overseas markets?

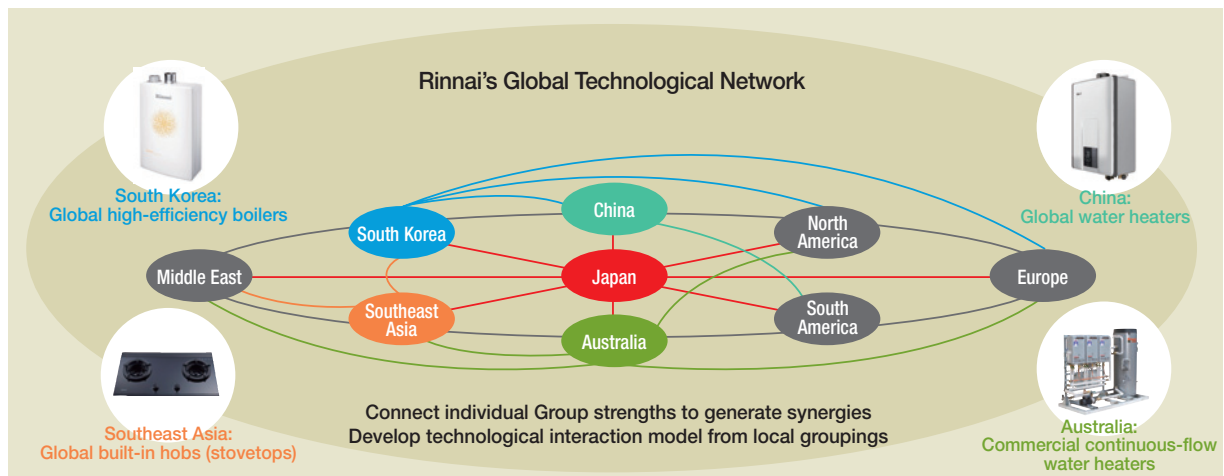
In China, we expanded our sales network to cover the entire nation by increasing the number of stores at the retail end. Accordingly, we again reported healthy sales of tankless water heaters and boilers. Since January 2016, we have been incrementally commissioning a new factory in Shanghai's Fengxian

District (annual capacity of 1 million water heaters and 500,000 kitchen appliances).

In the United States, annual sales of tankless water heater have reached the 200,000-unit mark, and we are expediting activities to proliferate our high-efficiency models in response to revisions of energy standards. In other nations, as well, we have improved profitability, which is contributing to more stable Groupwide performances. We are also expanding our business in new markets, such as Southeast Asia and the Middle East.

Q Do you have a concluding message for shareholders?

In Rinnai's basic policy is to continue delivering business growth, not over the short term but from medium- and long-term perspectives, and thus return profits to shareholders in a reliable manner. As part of our effort to strengthen our operational foundation, in June 2016 we increased the number of outside directors to two, thus reinforcing corporate governance. Our plan is to expand our business globally as a comprehensive manufacturer of heat and energy appliances that maintains a reputation for quality ("Rinnai = high product quality") while strengthening our operational foundation. We look forward to the continued understanding and support of all stakeholders.



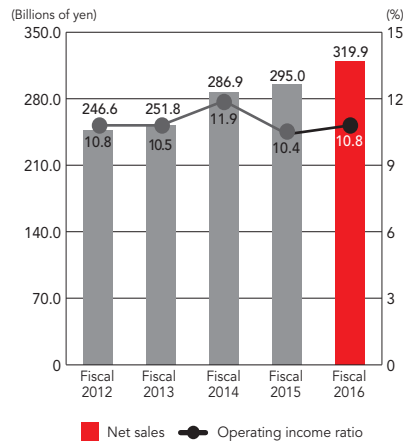
Consolidated Business Results for Fiscal 2016

(Year ended March 31, 2016)

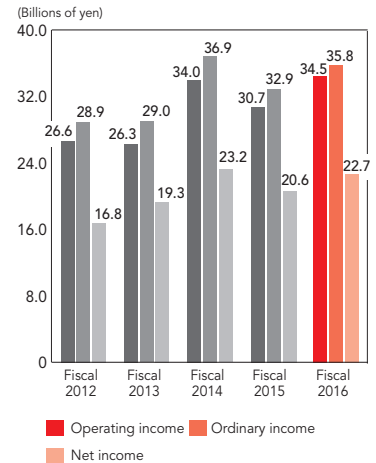
Performance Highlights

- Consolidated net sales and operating income both reached record-high figures
- Net sales up for sixth consecutive year, buoyed by healthy sales of water heaters in Japan, China, and United States, as well as consolidation of Australian company, Bravis Climate Systems
- Operating income up for the first time in two years thanks to higher sales in Japan and overseas, together with cost reduction efforts

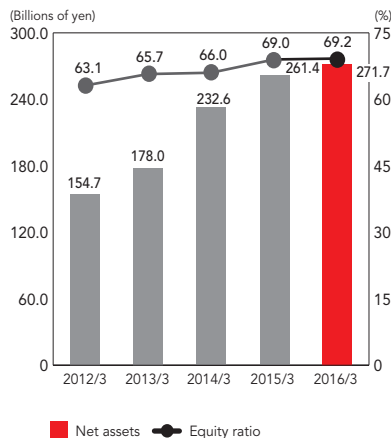
Net sales, operating income ratio



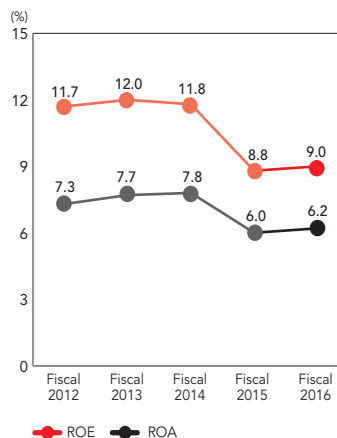
Operating income, ordinary income, net income



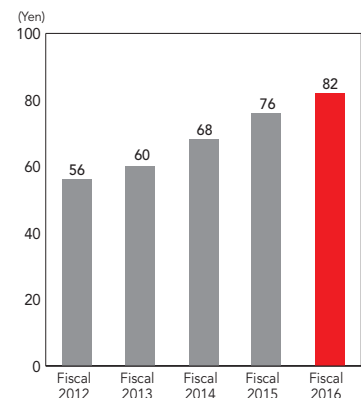
Net assets, equity ratio



ROE, ROA



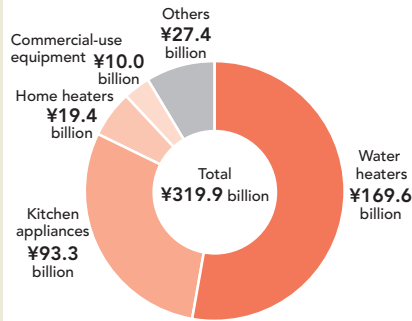
Dividends per share (annual)



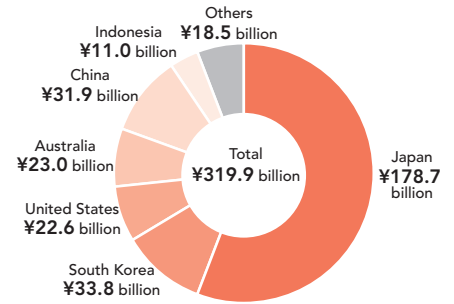
Highlights by Product Segment

- **Water heaters: Increase in segment sales** thanks to good overall results in Japan and sales growth for tankless models in United States and China
- **Kitchen appliances: Healthy performances** by built-in hobs (stovetops) and range hoods led to **higher segment sales** despite weak demand for tabletop stoves in Indonesia
- **Home heaters and others: Growth in segment sales** owing to consolidation of Bravis Climate Systems despite lower sales of fan heaters in Japan stemming from warm winter

Net sales by product

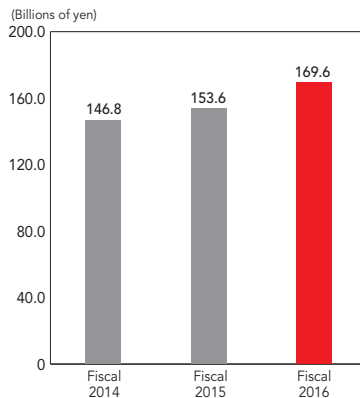


Net sales by region

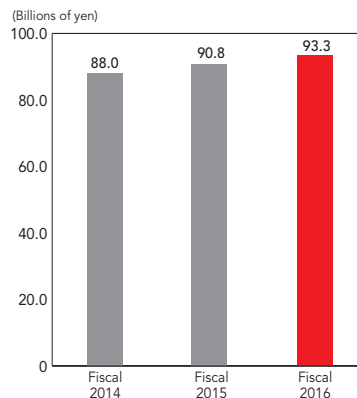


Principal products	Principal Products
Water heaters	Tankless water heater with basic functions, bath-filling systems, heating systems, and hybrid water heater with heating systems
Kitchen appliances	Tabletop cookers, built-in hobs (stovetops), ovens, dishwashers, range hoods and rice cookers
Home heaters	Fan heaters, fanned flue heaters and infrared heaters
Commercial-use equipment	Commercial-use ceramics griller, ranges and rice cookers
Others	Clothes dryers, infrared burners and components

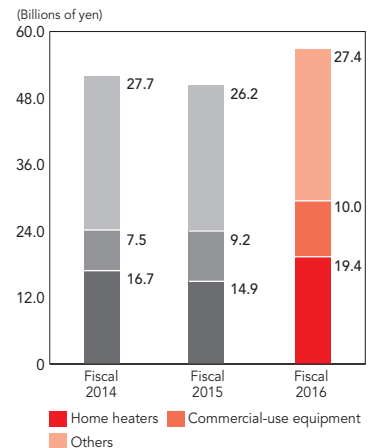
Sales of water heaters



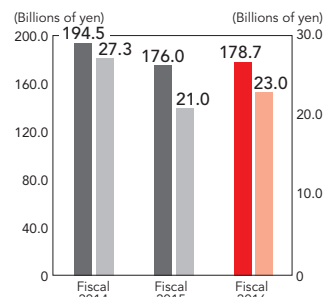
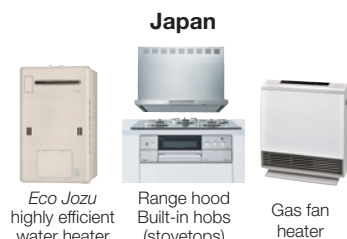
Sales of kitchen appliances



Sales of home heaters, commercial-use equipment, and others

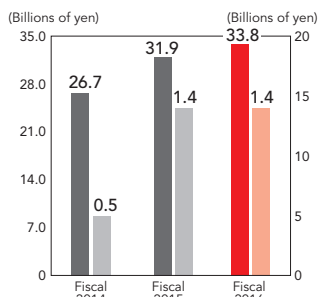


Highlights by Regional Segment



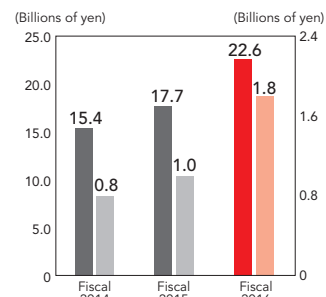
Healthy overall sales of water heaters and growth in functionally upgraded built-in hobs (stovetops) led to **increases in both sales and income**

■ Net sales ■ Operating income



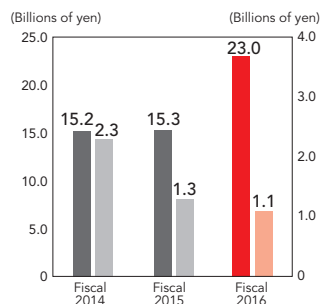
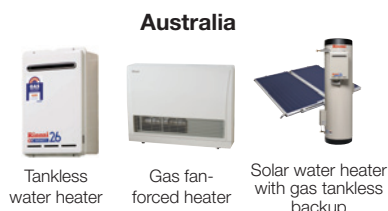
Higher sales and income thanks to solid performance by high-efficiency boilers and bottoming/firming demand for tabletop stoves

■ Net sales ■ Operating income



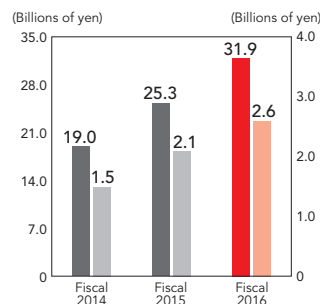
Increased sales of tankless water heaters, buoyed by healthy housing market amid economic recovery, led to **growth in both sales and income**

■ Net sales ■ Operating income



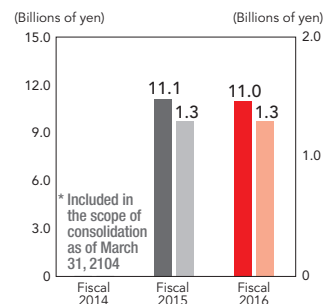
Higher sales but lower income as increased sales from acquisition of Brivis Climate Systems incurred associated acquisition costs

■ Net sales ■ Operating income



Expanded sales network and regional proliferation of gas infrastructure led to **increases in both sales and income** despite sluggish economic growth

■ Net sales ■ Operating income



Tapering demand for tabletop stoves contrasted with healthy sales of built-in hobs (stovetops) offering high added value, leading to **lower sales but higher income**

■ Net sales ■ Operating income

Third series of popular limited-edition model offered online

Vamo: Industry's largest thermal-power household tabletop stove launched

In December 2015, we launched "Vamo"^{*1}, a stainless steel tabletop stove offered as a limited-edition online model following the previously launched "HOWARO" and "Seiso" series. Reflecting feedback from users, Vamo has a simple design and is easy to clean. It is also exceptionally cooking-friendly and features the industry's most powerful^{*2} burners (4,000kcal/h) among tabletop stoves for home use.

<http://www.vamo4000.jp/>

^{*1} Based on the Spanish word *vamos* meaning "let's go/do ~"

^{*2} Industry's largest thermal power household tabletop gas stove, as of April 2016 (according to Rinnai research)



High acclaim as company which appeals to investors

Health and Productivity Index

Rinnai Corporation has been included in the "Health and Productivity Index 2016" presented by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange (TSE). This index shows a selection of TSE-listed companies that strategically practice employee health management from a business perspective and offer appeal to investors for emphasizing improvements in corporate value based on long-term perspectives. Rinnai will continue upgrading health-enhancement and mental health initiatives and work in other ways to maintain and improve the health of its employees.



Delivering "heat" and "happiness" through sports

Sponsorship of Queensland Reds (Super Rugby team) in Australia

In February 2016, Rinnai Corporation and Rinnai Australia Pty Ltd concluded a major sponsorship agreement for the Queensland Reds, a member of the world's highest-level Super Rugby competition. (Japanese player Ayumu Goromaru currently plays for the Queensland Reds.) From 2016, the Super Rugby competition features 18 teams from five nations, including Japan, and Rinnai will support the Queensland Reds while furthering ties between Japan and Australia.



Special Feature

“Connecting technologies” to enrich our lives in this era of energy self-selection and self-generation

ECO ONE E series of hybrid water heaters with heating systems launched!

ECO ONE
エコワン

Electricity × Gas | ECO ONE divides usage optimally between an electric heat pump and gas Eco Jozu according to time zone and purpose

Three fundamental features of ECO ONE series

- 1. Energy efficiency**
Primary energy efficiency:
Industry's highest level of **138%**^{*1}
- 2. Economic performance**
Compared with existing gas water heaters:
61%^{*2} reduction in water heating cost
- 3. Environmental performance**
Heat pump uses **R32** as coolant to reduce environmental impact

- *1 • Ratio when used to deliver hot water (excludes room heating)
- Compiled by Rinnai based on decision criteria of residential business owners (6 regions) of the Institute for Building Environment and Energy Conservation (IBEC) (as of March 2015)
- *2 • Annual water heating load: 4.03Gcal
- LP gas charge: Existing gas bathwater-heating unit used in combination with ECO ONE hybrid water heater with heating system (100 liter): ¥450/m³
- Electricity charge: ¥25.6/kWh (average unit cost excluding basic charge) (based on Rinnai research as of March 2016)



ECO ONE | Owner's voice

(Mrs. S, resident of Tokyo)

After the earthquake, I felt unease about using only one energy source, and I chose ECO ONE because it runs on both gas and electricity. With its self-learning function, it stores hot water according to when we use it, so it is very energy-efficient. We also wanted to become self-sufficient in energy as much as possible, so we installed solar power generation, which has helped reduce utility costs. And for a wife who is raising a child, floor heating is wonderful because it heats up the room gradually. It feels good when having a daytime nap with my child.

Family structure: 3 people (husband, wife, one child)

Living amenities: Floor heating (16.5m² living room), bathroom heating dryer, solar power (4.3kW)

ECO ONE used: Approx. 1 year

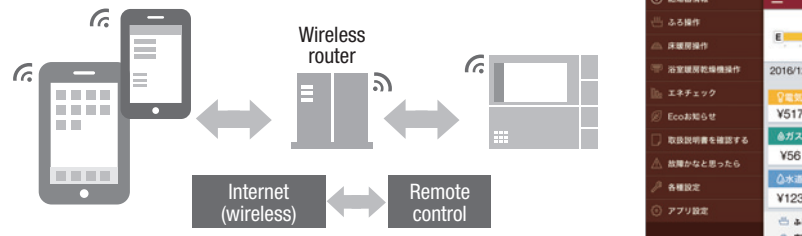
For further ECO ONE owner's voice, please visit our website. <http://rinnai.jp/products/waterheater/hybrid/voice/>

“Connecting technologies” 1

From the screen of your smartphone or other device, you can control the automatic bathtub-filling, bathwater-heating, and floor heating functions, while also checking information about utility costs and the like. (In-home use only)

Simply syncing with a home wireless router enables operation from a smartphone or tablet device linked to a dedicated remote control

Water heating by remote control from anywhere in a Rinnai house (wireless LAN)

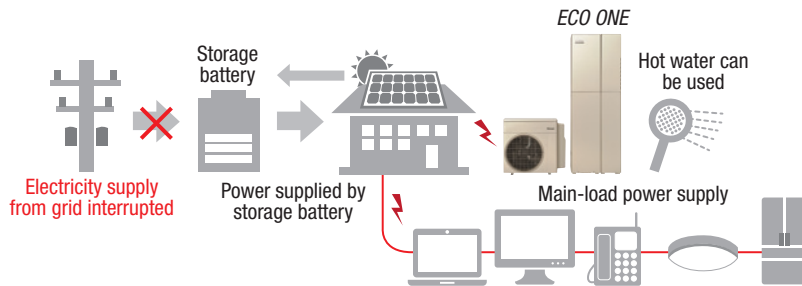


“Connecting technologies” 2

Storage battery mode:

During power outages, the gas water heater can be controlled using power from battery storage. Even if gas supply also stops at the same time, the limited storage battery can be used effectively, allowing the water heating function to be taken over by the heat pump—an industry first.

Responding to energy self-sufficient homes

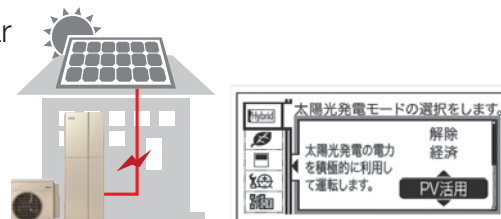


“Connecting technologies” 3

Active use of surplus power:

The running cost of water heating can be reduced by using the heat pump in the daytime to make water hotter than usual, which increases the amount of heat stored.

Effective use of solar power generation



Financial Data

Consolidated Balance Sheets (Millions of yen)

Current Term (As of Marh 31, 2016)

Previous Term (As of Marh 31, 2015)

	Current Term	Previous Term		Current Term	Previous Term
Assets			Liabilities		
Current assets	216,480	206,111	Current liabilities	82,730	79,805
Cash and deposits	100,528	60,730	Notes and accounts payable	23,163	47,616
Notes and accounts receivable	66,208	63,889	Electronically recorded obligations	28,155	254
Marketable securities	8,036	41,112	Short-term debt	—	1,976
Products	23,461	21,670	Other payables	11,409	11,031
Raw materials and stores	12,608	12,812	Accrued consumption taxes	1,412	1,671
Deferred taxes assets	3,488	4,022	Accrued income taxes	5,053	4,719
Other	2,748	2,518	Accrued employees' bonuses	4,025	3,377
Less allowance for doubtful accounts	(600)	(644)	Allowance for product guarantee	3,436	2,608
			Other	6,073	6,550
Fixed assets	153,766	151,395	Long-term liabilities	15,806	16,286
Property, plant and equipment	63,299	56,841	Deferred tax liabilities	6,058	8,007
Buildings and structures	20,285	18,880	Accrued employees' retirement benefits	6,349	5,291
Machinery and vehicles	13,076	13,205	Other	3,398	2,986
Tools and fixtures	4,896	5,200			
Land	17,061	16,481	Total liabilities	98,537	96,091
Leased assets	186	204			
Construction in progress	7,793	2,869	Net Assets:		
Intangible fixed assets	5,887	4,365	Shareholders' equity:	243,558	223,065
Investments and advances	84,579	90,187	Common stock	6,459	6,459
Investments in securities	64,133	64,163	Capital surplus	8,719	8,719
Net defined benefit assets	16,603	20,068	Earned surplus	229,372	208,866
Deferred income taxes	988	819	Treasury stock	(993)	(979)
Other	3,261	6,058	Other comprehensive income:	12,515	23,559
Less allowance for doubtful accounts	(406)	(922)	Unrealized gain on marketable securities	4,066	5,921
			Foreign exchange translation adjustment	5,288	10,046
			Remeasurements of defined benefit plans	3,160	7,591
			Minority interests	15,636	14,789
Total assets	370,246	357,506	Total net assets	271,709	261,414
			Total liabilities and net assets	370,246	357,506

Consolidated Statements of Income (Millions of yen)

Current Term (From April 1, 2015, to March 31, 2016)
Previous Term (From April 1, 2014, to March 31, 2015)

	Current Term	Previous Term
Net sales	319,935	295,022
Cost of sales	216,454	203,836
Gross profit	103,480	91,186
Selling, general and administrative expenses	68,886	60,399
Operating income	34,593	30,787
Other income	2,084	2,912
Other expenses	870	762
Ordinary income	35,807	32,938
Extraordinary income	271	—
Extraordinary losses	182	—
Income before income taxes	35,896	32,938
Income taxes	10,866	10,207
Income before minority interests	25,030	22,730
Minority interests	2,319	2,083
Net income	22,710	20,647

Consolidated Statements of Cash Flows (Millions of yen)

Current Term (From April 1, 2015, to March 31, 2016)
Previous Term (From April 1, 2014, to March 31, 2015)

	Current Term	Previous Term
Cash flows provided by operating activities	36,066	25,671
Cash flows used in investing activities	(17,770)	(23,649)
Cash flows used in financing activities	(6,554)	(8,659)
Cash and cash equivalents at end of year	79,600	69,340

Directory (As of March 31, 2016)

Incorporated	September 1, 1920
Established	September 2, 1950
Paid-in capital	¥6,459,746,974
Head office	2-26, Fukuzumi-cho, Nakagawa-ku, Nagoya 454-0802 TEL: +81-52-361-8211
Number of employees	9,940 (Consolidated) 3,579 (Nonconsolidated)

Domestic Network (As of March 31, 2016)

Factories and related centers	Technology Development Center, Production Technology Center, Integrated Logistics Center, Parts Center, Oguchi Factory, Seto Factory, Asahi Factory, Akatsuki Factory
Branches	Tohoku, Kanto, Chubu, Kansai, Kyushu
Domestic sales offices	Hokkaido, Sendai, Niigata, Tokyo, Kita-Kanto, Higashi-Kanto, Minami-Kanto, Tokai, Shizuoka, Hokuriku, Nagano, Osaka, Keji, Hyogo, Chugoku, Shikoku, Fukuoka
Domestic satellite offices	(84 offices)
Other domestic offices	10 Training Centers, 2 Customer Centers

Board of Directors (As of June 28, 2016)

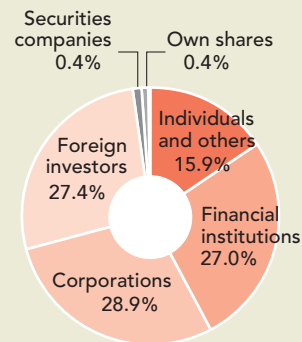
Chairman	Susumu Naito	Managing Executive Officers	Takashi Nagasaka	Corporate Auditors (Standing Auditors)	Takashi Sonoda
Vice Chairman	Kenji Hayashi		Yuzo Yoshida		Haruhiko Ishikawa
President and Executive Officer	Hiroyasu Naito		Terumasa Kaneko	Corporate Auditors	Masaaki Matsuoka
Director and Executive Vice President	Tsunenori Narita	Executive Officers	Kinji Mori		Ippei Watanabe
Director and Senior Managing Executive Officers	Masao Kosugi		Yasuo Koketsu		
Director	Yuji Kondo		Fuminobu Ishikawa		
	Nobuyuki Matsui		Chuji Nakashima		
	Takashi Kamio		Shinji Tanaka		
			Kazuhiko Matsumoto		
			Kenji Endo		
			Masanori Shimizu		
			Kazuto Inoue		
			Katsuhiko Shinji		

Notes: 1. Nobuyuki Matsui and Takashi Kamio (Directors) serve as an outside director.
2. Masaaki Matsuoka and Ippei Watanabe (Corporate Auditors) serve as an outside auditor.

Share Composition (As of March 31, 2016)

Number of shares	
Authorized:	200,000,000
Outstanding:	52,216,463 (Including treasury stock)
Number of shareholders:	3,831

Composition of shareholders



Rinnai Group (As of March 31, 2016)

15 Domestic Subsidiaries

Manufacture of Products

- Yanagisawa Manufacturing Co., Ltd.
- Rinnai Technica Co., Ltd.
- Gastar Co., Ltd.

Manufacture of Components

- RB Controls Co., Ltd.
- Rinnai Precision Co., Ltd.
- RT Engineering Co., Ltd.
- Japan Ceramics Co., Ltd.
- Noto Tech Co., Ltd.
- Techno Parts Co., Ltd.

Sale of Products

- Rinnai Net Co., Ltd.
- RG Co., Ltd.

Other Business

- Rinnai Enterprises
- Other three companies

29 Overseas Subsidiaries and Affiliates

Holding Company/Sale of Products

- Rinnai Holdings (Pacific) Pte Ltd.

Sale of Products

- Rinnai America Corporation
- Rinnai Hong Kong Ltd.
- Rinnai Canada Holdings Ltd.
- Shanghai Rinnai Thermo Energy Engineering Co., Ltd.

■ Rinnai Plus Corp.

■ Guangzhou Rinnai Gas and Electric Appliance Co., Ltd.

■ Rinnai (Malaysia) Sdn. Bhd.

■ Rinnai UK Ltd.

■ Rinnai Italia S.r.l.

■ Hainan Rinnai Minsheng Kitchen Appliances Sales Co., Ltd.

Manufacture and Sale of Products

- Rinnai Australia Pty., Ltd.

- Rinnai New Zealand Ltd.
- Rinnai Taiwan Corporation
- Rinnai Korea Corporation
- Shanghai Rinnai Co., Ltd.
- Rinnai (Thailand) Co., Ltd.
- Rinnai Viet Nam Co., Ltd.
- Rinnai Brasil Heating Technology Ltd.
- P.T. Rinnai Indonesia
- Brivis Climate Systems

Manufacture and Sale of Components

- RB Korea Ltd.
- RS Korea Ltd.
- Shanghai RB Controls Co., Ltd.
- Mikuni RK Corporation

Other Business

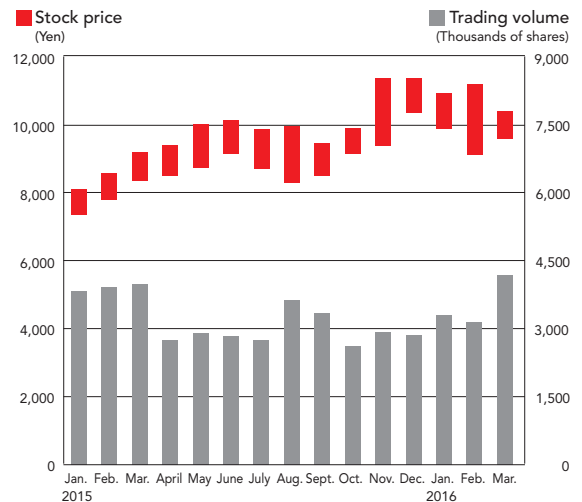
- Jordans NSW Corporation
- Gas Appliance Services Corporation
- Other two companies

● Consolidated subsidiary ■ Nonconsolidated subsidiary ● Affiliated company (equity method applied) ■ Affiliated company (equity method not applied)

Major Shareholders (As of March 31, 2016)

Name	Shares held (Thousands)
Naito Co., Ltd.	6,215
Yoshikane Shoji Co., Ltd.	4,002
The Master Trust Bank of Japan, Ltd. (Trust Account)	3,786
Kenji Hayashi	2,502
Japan Trustee Services Bank, Ltd. (Trust Account)	2,082
Japan Trustee Services Bank, Ltd. (Trust Account 9)	1,970
Tokyo Gas Company, Limited	784
Nippon Life Insurance Company	720
Rinnai employee's association	596
Yukimi Naito	550

Stock Price Range



Financial year

From April 1 to March 31

Annual meeting of shareholders

Every June

Dates of record

Annual meeting of shareholders,

year-end dividend: March 31

Interim dividend: September 30

Minimum trading unit

100 shares

Public notice

Public notices by the Company will be announced online.

<http://www.rinnai.co.jp>

However, if due to accident or some other unavoidable reason that prevents the Company from completing an online announcement should arise, a public notice will be made by posting in the *Nihon Keizai Shimbun*.

Transfer agent

Sumitomo Mitsui Trust Bank, Limited

4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-0005

Special account administrator

Sumitomo Mitsui Trust Bank, Limited

4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-0005

Mailing and contact

Sumitomo Mitsui Trust Bank, Limited

Stock Transfer Agency Department

8-4, Izumi 2-chome, Suginami-ku, Tokyo 168-0063

(Telephone)

Freedial 0120-782-031(9:00 am~17:00 pm on weekdays)

Transfer administration offices:

Sumitomo Mitsui Trust Bank, Limited

Head office, and branches throughout Japan

Stock Listings:

Tokyo Stock Exchange, First Section

Nagoya Stock Exchange, First Section

Inquiries Pertaining to Share-Related Procedures

1. Non-Payment of Dividends

Please contact the transfer agent (Sumitomo Mitsui Trust Bank, Limited; contact details above).

2. Change of address, purchases (or increases in purchases) of fractional shares, designation of dividend payment method, etc.

(1) Shareholders with account at a securities company

Please contact the securities company handling your account.

(2) Shareholders with a special account opened due to absence of account at a securities company

Please contact Sumitomo Mitsui Trust Bank, Limited

Dividend Calculation Notice

The Dividend Calculation Notice, sent to shareholders at the time of dividend payment, also functions as the Payment Notice according to regulations under the Act on Special Measures Concerning Taxation. This document can be used as a reference attachment when preparing final tax returns. For shareholders who have chosen to receive dividends by the allocation based on the number of shares method, a withholding tax amount are calculated by security companies. For inquiries about a reference attachment when preparing final tax returns, please contact your securities company. The Company will issue a Dividend Calculation Notice to shareholders who receive dividends by presenting the Year-End Dividend Receipt.

* Shareholders who prepare their own final tax returns are asked to keep the Dividend Calculation Notice in a safe place.